

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of CONSUMERS)	
ENERGY COMPANY for authority to increase its)	
rates for the generation and distribution of)	Case No. U-17990
electricity and for other relief.)	
_____)	

At the November 21, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER

On February 28, 2017 (February 28 order), the Commission issued its order in Case No. U-17990 expressing concern regarding the reliability of Consumers Energy Company's (Consumers) electric distribution system. The February 28 order directed Consumers to develop and submit a draft five-year investment and maintenance distribution plan (distribution plan) to the Commission Staff (Staff) by August 1, 2017, comprised of the following:

- (1) a detailed description, with supporting data, on distribution system conditions, including age of equipment, useful life, ratings, loadings, and other characteristics;
- (2) system goals and related reliability metrics; (3) local system load forecasts;
- (4) maintenance and upgrade plans for projects and project categories including drivers, timing, cost estimates, work scope, prioritization and sequencing with other upgrades, analysis of alternatives (including AMI and other emerging technologies), and an explanation of how they will address goals and metrics; and
- (5) benefit/cost analyses considering both capital and [operations and maintenance] O&M costs and benefits.

February 28 order, pp. 19, 167. Following the submission of its draft five-year distribution plan, the February 28 order also directed Consumers to submit final version of this plan by January 31, 2018.

On August 1, 2017, Consumers filed its draft five-year distribution plan. On August 4, 2017, the Commission issued a notice of opportunity for interested persons to comment on the submission. The Commission specifically invited interested persons to comment on the following questions:

- 1) Does the company's draft distribution planning report provide a transparent review to identify and make cost-effective grid modernization and aging infrastructure investments necessary to support improved reliability, power quality, and future growth? Do the proposed investments provide a clear strategic path to address resiliency, reliability, and grid modernization, consistent with the Commission's stated goals as outlined in recent electric rate case orders?
- 2) Do the plans identify system upgrades or investment strategies and concrete, measurable performance targets and timeliness in areas such as safety and reliability?
- 3) Are there longer term enhancements to the plan or the planning process that the Commission, utilities, and stakeholders should be considering in future rounds?
- 4) Any other feedback for the Commission's or Commission Staff's consideration.

On September 5, 2017, 5 Lakes Energy filed comments, and on September 6, 2017, Michigan Energy Innovation Business Council, Vote Solar and the Environmental Law and Policy Center, collectively; and the Mission:data Coalition filed comments.

On September 20, 2017, Consumers filed a reply to the comments in Case No. U-17990, stating that it has reviewed the comments, will take the comments into consideration, and is committed to working with the Staff to complete and submit its final 5-year distribution plan by January 31, 2018.

Following review of the comments submitted, on October 11, 2017, the Commission issued its order (October 11 order) in this docket “to ensure the near-term safety and reliability of the distribution system.” The Commission directed Consumers to file its five-year distribution plan by January 31, 2018, and to primarily focus on the following priorities:

1. Defining the scope of work, capital, and O&M investments needed to address aging infrastructure and the risk assessments that drive the prioritization of these investments (i.e., asset class failure rates, long lead time equipment, obsolete equipment, etc.).
2. Identifying known safety concerns on the system and work necessary to address these concerns (i.e., pole failures, third-party facilities coming into contact with electric equipment, and wire down detection, response, and protections, etc.).
3. System maintenance and investment strategies that improve resiliency and mitigate the financial effects and safety issues associated with inclement weather (i.e., strategic undergrounding, accelerated vegetation management schedules, enhanced vegetation management standards, tree resistant conductors, etc.).
4. Company objectives and associated performance metrics relevant to utility near-term investment and maintenance plans. In particular, the Commission expects a timeline and investment strategy for meeting the Governor’s 2013 reliability goals addressing the frequency and duration of electric outages.

October 11 order, pp. 16-17.

On October 24, 2017, Consumers requested a one-month extension for submitting its five-year distribution plan stating that the company would utilize the additional time to refine its plan to focus on the Commission priorities spelled out in the October 11 order. The Commission finds Consumers’ request reasonable and that it should be granted.

THEREFORE, IT IS ORDERED that Consumers Energy Company’s motion for a one-month extension of the deadline to submit its final five-year distribution investment and maintenance plan is granted and shall be due by March 1, 2018.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscdockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of November 21, 2017.

Kavita Kale, Executive Secretary